

The Challenges of Diversity Management to Migrant Integration in the European Union

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The integration of migrants remains the primary responsibility of nation states, but European Union policies are important with regard to knowledge exchange, its promotion, and the monitoring of integration practices. European Union legislation provides a strong anti-discrimination framework and emphasizes the equal opportunity principle as key integration issues. This paper's starting assumption is that, besides the anti-discrimination aspect of migrant integration in the area of employment, their contribution to economic growth is no less important. An analysis of European policies has been carried out in the context of the approach to managing diversity, which highlights the potential of diversity for better organisational performance. It is argued that the successful integration of migrants is

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recognised not only as key to better migrant participation but also as potential for the host society's labour market and for increased economic performance. Several challenges to the successful integration of migrants are underlined in the paper.

Keywords: integration of migrants, employment, diversity management, better performance, European policy

1. Introduction¹

As part of the modern intercultural approach, integration marks a two-way process of migrant engagement with the fundamental structural areas of the recipient country's society and their identification with that society. It therefore involves the obligation to provide migrants with formal rights that will enable them to participate in community life, but also to adapt to the standards and values of the recipient country's society without renouncing their own cultural identity. This involves at least three dimensions: legal-political, socio-economic, and cultural-religious (Penninx & Garcés-Mascareñas, 2016; Penninx, 2007). The legal-political dimension refers to different political and status rights, such as residence, family reunification, political participation and acquisition of citizenship, as well as informal opportunities for political participation. The socio-economic dimension of integration focuses on one's position within the labour market, including the right to work and access to social and other rights, such as health care, education, and housing. The cultural-religious dimension is concerned with cultural and religious rights.

The immigration flow contributes to an increasing demographic complexity of nation states, which leads to the development and implementation of public policies that endeavour to reflect the complexity of the social environment. This, among other factors, includes public policies and the adoption of a series of measures aimed at improving the position of those social groups that have previously been excluded or underrepresented. These should specifically contribute to equal employment opportunities because employment is perceived as probably the most important determinant of the integration process.

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The integration of migrants usually lies within the scope of state affairs, while local self-government units are of particular importance with regard to determining the success or failure of national integration policies (Lalić Novak & Vukojičić Tomić, 2016, p. 281). The European Union is not responsible for migrant integration. However, the importance of EU policies is reflected in the promotion of “knowledge exchange on migrant integration” and in the “stimulation of applied scientific research on issues associated with integration” (Geddes & Achtnich, 2015, p. 293).

This paper looks at the socio-economic dimension of integration, or more precisely at employment opportunities as a key part of the integration process. Given that European policies have a rather significant impact on member countries in terms of understanding problems and their solutions, the aim of this paper is to determine the values underlying European integration policies.

This paper is organised as follows. The second section describes the European framework for the integration of migrants. In an effort to distinguish between different approaches to integration in terms of employment, the third section introduces the diversity management approach and underlines its basic elements with regard to the anti-discriminatory approach. The fourth section provides an analysis of selected European policies and measures aimed at the labour market integration of migrants. This is followed by concluding remarks.

2. European Union Agenda for the Integration of Migrants

The integration of legal migrants is acknowledged as a key mechanism to “maximising the opportunities of legal migration and making the most of the contributions that immigration can make to EU development”.² At EU level, migration policy is based on founding treaties, European Union directives, and European Commission programmes and strategies.

The key legal document containing the catalogue of rights guaranteed to EU citizens and third-country nationals is the Charter of Fundamental Rights of

² Statement on the European Commission Directorate General for Home Affairs web page: https://ec.europa.eu/home-affairs/what-we-do/policies/legal-migration/integration_en.

the European Union of 2000.³ Within the principle of non-discrimination: “Any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited” and furthermore “any discrimination on grounds of nationality shall be prohibited” (Art. 21).

The Treaty on European Union and the Treaty on the Functioning of the European Union of 2010 are the first founding treaties that contain a legal basis for the issue of EU integration, whereby the European Parliament and the Council are empowered to adopt, in ordinary legislative procedure, measures to encourage and support the activities of member states with a view to promoting the integration of third-country nationals.⁴

Although integration policies lie within the competence of member states,⁵ the EU has developed a common framework for the integration of third-country nationals within two broader groups of mechanisms: “harder” and “soft” governance mechanisms in terms of their legal effect (Geddes & Achtnich, 2015, pp. 293–302). A range of “harder” governance mechanisms has been developing since 1999. This includes EU directives with a strong anti-discrimination approach dating from the year 2000 and two directives from 2003 that both contain “integration measures” (*ibid.* 297). The Racial Equality Directive⁶ sets out the framework for combating discrimination based on racial or ethnic origin in order to apply the principle of equality in member states (Art. 1). The areas of application are employment (including selection criteria, employment conditions, and promotion criteria), vocational guidance and vocational training and retraining, work and working conditions, membership and activity in workers’ or employers’ organisations, social protection and social benefits, education, and access to goods and services (Art. 3, Section 1). The directive explicitly prohibits discrimination in said areas in European legislation and prescribes the obligation for member states to

³ The Charter encompasses numerous human rights obligations that are already part of international treaties but have interpretative power, as it interprets and clarifies binding agreements (Vasiljević, 2011, p. 92).

⁴ According to the Treaty, stateless persons are treated as third-country nationals (Art. 67, Section 2).

⁵ Every member state has its own approach to the integration of immigrants into national life, and the variety of approaches is reflected in the diverse national laws and integration procedures throughout Europe.

⁶ Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin [2000] *Official Journal L* 180.

adopt the acts necessary to comply with its provisions. The Employment Equality Directive⁷ is similar in many ways. Additionally, it requires equal treatment in employment and vocational training regardless of someone's religion or beliefs, disability, age, or sexual orientation. The Family Reunification Council Directive⁸ determines the conditions and set-up measures required to grant legally resident third-country nationals the right to family reunification. The Long-Term Residence Council Directive⁹ sets up the conditions for third-country residents to be granted long-term residence and develops their rights within the broader framework of freedom of movement for people, services, goods, and capital. The areas of application are access to employment, education and vocational training, social protection, and access to goods and services.

"Soft" governance mechanisms are non-binding; however, they are not without any effect.¹⁰ According to Geddes & Achtnich (2015, p. 299), they can "provide a forum for knowledge exchange and the development of new knowledge." There are many such mechanisms,¹¹ among which one is particularly interesting because it forms a foundation for EU initiatives in the field of integration. In November 2004 the Justice and Home Affairs Council adopted a list of "Common Basic Principles for Immigrant Integration Policy in the EU".¹² This set of principles stresses that integration is a dynamic, two-way process of mutual accommodation

⁷ Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation [2000] Official Journal L 303.

⁸ Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification [2003] Official Journal L 251.

⁹ Council Directive 2003/109/EC of 25 November 2003 concerning the status of third-country nationals who are long-term residents [2003] Official Journal L 016.

¹⁰ Soft instruments can "influence domestic understanding of certain problems and their solutions and support the legitimacy of domestic actors and they can further stimulate convergence or harmonization of Member States' public policies" (Lalić Novak, 2016, p. 31).

¹¹ For example: a network of National Contact Points on Integration at member state level; a network of largely interior minister officials known as the European Migration Network (EMN); a think-tank-led monitoring exercise, the Migrant Integration Policy Index (MIPEX); funds for research which have been provided by various funds; the European Programme for Integration and Migration (EPIM); but also a growing role for the European Parliament (EP) through the application of what is known as the ordinary legislative procedure and enhanced powers for the Court of Justice of the European Union, and the like. (Geddes & Achtnich, 2015, pp. 299–302).

¹² Available at the European Commission web page dealing with immigrant integration: <https://ec.europa.eu/migrant-integration/librarydoc/common-basic-principles-for-immigrant-integration-policy-in-the-eu>.

by all immigrants and residents and implies respect for the basic values of the EU. The common basic principles are as follows: (1) employment is a key part of the integration process and is central to the participation of immigrants and to the contributions immigrants make to the host society; (2) basic knowledge of the host society's language, history, and institutions is indispensable to integration; (3) efforts in education are critical to preparing immigrants to be more successful and more active participants in society; (4) access for immigrants to institutions, as well as to public and private goods and services, on a basis equal to national citizens and in a non-discriminatory way constitutes a critical foundation for better integration; (5) frequent interaction between immigrants and member state citizens is a fundamental mechanism for integration (shared forums, intercultural dialogue, education about immigrants and immigrant cultures, and stimulating living conditions in urban environments); (6) the practice of diverse cultures and religions must be safeguarded, unless practices conflict with other inviolable European rights or with national law; (7) the participation of immigrants in the democratic process and in the formulation of integration policies and measures, especially at the local level, supports their integration; (8) mainstreaming integration policies and measures in all relevant policy portfolios and levels of government and public services is an important consideration in public policy formation and implementation; and (9) developing clear goals, indicators, and evaluation mechanisms is necessary to adjust policy, evaluate progress on integration, and to render the exchange of information more effective. As has previously been noted, the common basic principles are not a binding instrument. They have nevertheless "made an important contribution to the thinking about national integration policies in a number of countries" (Pratt, 2015, p. 127). Moreover, their implementation was promoted through the European Integration Fund and they "remain a point of reference at EU level" (*ibid.*).

In an effort to establish a coherent European framework for migrant integration,¹³ the Commission's 2005 Common Agenda for Integration¹⁴

¹³ Establishing a more coherent EU approach to integration means in particular: consolidating the legal framework on the conditions for the admission and stay of third-country nationals; developing cooperation activities and exchange of information on integration; mainstreaming and evaluation (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Common Agenda for Integration Framework for the Integration of Third-Country Nationals in the European Union [2005] COM(2005) 389 final, Paragraph 3).

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Com-

provides proposals for measures to implement the common basic principles. For each of the common basic principles, the Commission's Common Agenda suggests a number of priorities and actions as guidance to the EU and member states in the implementation of integration policies. Particular emphasis is placed on the gender perspective that should be incorporated in all actions.

As for other EU policies on migrant integration, several documents are of particular importance and should be elaborated upon briefly.

The European Agenda for the Integration of Third-Country Nationals¹⁵ of 2011 calls for a strengthened and balanced approach to integration in different policy areas and at different levels, focusing on measures to increase the economic, social, cultural, and political participation of migrants, especially at the local level. Integration is recognised as a way of realising the potential of migration. The European Agenda starts from the main premise that European societies are faced with increasing diversity due to increasingly intensive migration. In addition, it points out that Europe has been strongly influenced by other demographic changes, such as an ageing population, longer life expectancy, and a declining working age population. Therefore, a "more effective integration of migrants" by means of tailored solutions can "help to address these issues, in addition to maximising the use of the labour force and skills already available in the EU and improving the productivity of the EU economy" (COM, 2011, Paragraph 1). According to the European Agenda, the most pressing challenges in terms of migrant integration are: (1) the prevailing low employment of migrants, especially migrant women; (2) rising unemployment and high levels of "overqualification"; (3) increasing risks of social exclusion; (4) gaps in educational achievement; and (5) public concern over the lack of integration of migrants. Apart from highlighting European integration challenges, the Agenda also suggests recommendations and proposes actions that should focus on three key areas: integration through participation, greater action at the local level, and the involvement of countries of origin.¹⁶ On the one

mon Agenda for Integration – Framework for the Integration of Third-Country Nationals in the European Union [2005] COM(2005) 389 final.

¹⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, European Agenda for the Integration of Third-Country Nationals, [2011], COM(2011) 0455.

¹⁶ Successful integration of migrants in the EU can make a significant contribution to targets that have been set within the Europe 2020 Strategy. These targets include specifically: raising the employment rate to 75% by 2020, reducing school dropout rates to less than 10%, increasing the share of the population that has completed tertiary education, and

hand, the European Agenda calls for a positive attitude towards diversity and for strong guarantees of fundamental rights and equal treatment. On the other hand, it strongly emphasizes the potential of effective integration to address the scarcity of the labour force and skills in Europe. In other words, economic performance could increase if integration policies were designed in order to meet the host country market needs.

The most recent European Commission document, dating from 2016, is the “Action Plan on the Integration of Third-Country Nationals”.¹⁷ It points out that “third-country nationals across the EU continue to fare worse than EU citizens in terms of employment, education, and social inclusion outcomes” (Paragraph 1, p. 2). It suggests that third-country nationals continue to face barriers in the education system, the labour market, and in accessing decent housing. The main emphasis of the Action Plan is on the successful integration of migrants understood as a “process [that happens] across many different policy areas – e.g. education, employment, entrepreneurship, culture – and in different contexts” (Paragraph 4, p. 5). For this purpose, the Action Plan sets out policy priorities and measures to support the implementation of these priorities. The policy priorities include: (1) pre-departure/pre-arrival measures; (2) education; (3) integration into the labour market and access to vocational training; (4) access to basic services such as accommodation and health care; and (5) active participation and social inclusion, including the participation of migrants themselves in the development and implementation of integration policies, promoting exchanges with host societies, and combating discrimination and promoting a positive approach to diversity.

3. Diversity Management in Employment – Roots and Theoretical Stronghold

In the context of society, diversity has traditionally referred to racial, national, and gender identity of individuals or groups, but in modern understanding it encompasses some additional categories of diversity of indi-

lifting 20 million people out of poverty or social exclusion (Communication from the Commission, Europe 2020 – A strategy for smart, sustainable and inclusive growth, Brussels, 3.3.2010, Paragraph 2).

¹⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Action Plan on the integration of third country nationals [2016] COM(2016) 377 final.

viduals such as age, disability, social status, and religion (Guy & Newman 2005, p. 143). Diversity in the working environment refers to a workforce comprising two or more groups of employees of different racial, national, gender, cultural, and religious affiliation, as well as other characteristics such as age or disability (Dessler, 2005, p. 55). Contemporary literature on human resource management in public administration has devoted increasing attention to managing diversity and ensuring representative employment. Reasons for the increased interest of scientists and practitioners in this subject include: socio-demographic development, new ideas about political representation, cultural and attitudinal changes in societies, and socio-economic changes (von Maravić, Guy Peters & Schröter, 2013, pp. 12–14). The “functional pressure” (*ibid.*) of growing geographical mobility within the common EU market and the increased migration flow brought about by humanitarian reasons, in combination with the widespread consensus on the government role in minority integration, affects EU member states’ policies with regard to accommodating a variety of the newcomers’ interests and needs.

The question of the demographic composition of human resources and new approaches to diversity are becoming important issues in human resource management (Millmore et al., 2007, pp. 466–468). New approaches are being designed as to maximise the human potential arising from diversity, but also to eliminate obstacles such as prejudice and bias that may hamper the appropriate functioning of diverse human potential (Dessler, 2005, p. 56).

The diversity management approach to human resource management was developed in the late 1980s in the United States. According to Van Gool (2015, pp. 176–177), it was a response “to the uncertain future of affirmative action”.¹⁸ Affirmative action measures were used to tackle the problem of discrimination and correct the effects of past discrimination towards “target groups that [had] been previously excluded or underrepresented” (Selden, 1997, p. 38). They were meant to contribute to equal opportunities regarding the employment of certain social groups and were therefore created as government measures fostering equal employment opportunities, such as quotas and employment goals.¹⁹ The effects of af-

¹⁸ The term “affirmative action” is used to describe the anti-discrimination legislation of the United States in the late 1960s and 1970s.

¹⁹ Quotas are more restrictive than employment goals. Goals are “flexible benchmarks or indicators of an organization’s desired level of protected-class employment” with no sanctions imposed, while quotas bind organisations to meet a fixed number or percent-

firmative action have been extensively studied by scholars in an effort to test the passive representation of minorities within the scope of the theory of representative bureaucracy.²⁰ The representative bureaucracy theory argues that public servants make decisions according to their socio-demographic characteristics and that these decisions will be in accordance with the interests of the social groups from which they come (Kennedy, 2014, p. 401).

According to many authors, the theoretical approach aimed at achieving better outcomes of organisational actions for either a particular segment of the population or for all users is linked to the inflationary approach to managing diversity which, along with the socio-symbolic component of representative employment, also emphasizes the component of organisational performance and organisational success.

Diversity management aims to maximise the potential of all employees. It was designed under the influence of managerial public administration reform known as New Public Management.²¹ In line with the doctrinal

age of protected-class persons and they usually impose sanctions (fines) (Ricucci, 2005, p. 413).

²⁰ The contemporary understanding of representative bureaucracy relies mainly on the Mosher distinction and linkage between passive and active representation (1982). Passive representation refers to the social background of public servants and the degree to which they mirror the whole of society (Mosher, 1982, p. 15). This type of representativeness has two aspects. In the first case, similarly to objective responsibility, representativeness requires a degree of accountability to those who are being represented. The second aspect concerns the participation of representatives in the process of policy-making and administration of programmes that carry a particular significance in relation to the socio-demographic background. Active representativeness refers to the situation when a public servant presses for the interest of "those whom they are presumed to represent" (*ibid.*, p. 14), in most cases, a particular segment of a society.

²¹ Since the 1980s, in Anglo-Saxon countries as well as parts of the European continent, public administration reforms have been noticeably marked by economic values and efforts to "maximize the entire public sector [with a view] to market principles, [and] ways of developing entrepreneurial behavior" (Koprić, 2006, p. 354), along with cutting public costs. All sets of reforms under the label of New Public Management have been strongly oriented towards increasing efficiency and effectiveness, while all other values (democratic, legal, political, and the like) were relegated to a secondary position. New Public Management is a common name for a whole series of managerial reforms that dominated structural, functional, and other changes in the public sector of many countries. There are significant differences between the countries that have adopted the ideology of New Public Management (the widest acceptance being in New Zealand, the UK, Canada, Australia, and the USA, but also in Nordic and German countries and some transitional and developing countries), its economic, cultural, and other features, as well as the degree and scope of the application of methods inspired by New Public Management. However, the introduction of microeconomic thinking and techniques in managing public sector organisations is acknowledged as

focus of New Public Management on market value, administrative efficiency, and consumer service satisfaction, the traditional forms of personal management have been shifting towards the concept of human resource management,²² which, amongst other things, targets the increase of organisational abilities and performance (Marčetić, 2007, pp. 83–87). While diversity management is not a central issue of human resource management, these two approaches are largely based on similar premises, which in the first place relates to raising efficiency and achieving organisational goals (Groeneveld & Van de Walle, 2010, p. 247).

3.1. What is Old and What is New?

The approach to managing diversity moves human resource management patterns away from the conventional legislative aspect of equal employment opportunities and towards a diversity mainstreaming strategy in areas such as gender, age, social origin, disability, personality, national origin and style of work. The imperative of competitiveness of today's markets turns it into a strategic approach, which may primarily ensure the conquest of new consumers and markets, but also attract talented and competent candidates (Bahtijarević-Šiber, 2014, p. 362). The basic idea is that the use of differences in human resource management can create a productive environment in which the potential of employees is fully exploited and they feel appreciated in terms of contributing to the achievement of organisational goals and overall organisational performance.²³ Emphasis on social equity as part of affirmative action is not as important. The approach is in favour

a common feature. Perko Šeparović narrows down all reform models to two main groups based on the primary mechanism of regulation: the British, which emphasized privatisation and the market, the Swedish, with management by results (2006, p. 75). A third group is the Dutch–Danish: it is less clearly profiled, and characterized by devolution/decentralization.

²² Human resource management is, according to Marčetić (2007, p. 107), “a series of active and dynamic activities that regulate the status relations of staff employed in public organizations in a more or less individualized manner and the relationships between employees and organizations”. Strategic management of human resources aims to accomplish the “maximum achievement of organizational goals and public interest and [meet] the needs and interests of employees” (*ibid.*).

²³ A set of organisational activities are proposed to create a diversity management programme and a stimulating environment to make employees “better able to adapt to individual cultural differences” (Dessler, 2005, pp. 56–57): provide strong leadership (become a role model), assess the situation in the organisation (evaluation, surveys, and focus groups), provide diversity training and education, change culture and management systems, and evaluate the diversity management programme.

of business success as a result of the basic idea that organisations which appreciate diversity – employ minorities, create an inclusive organisational culture, and recognise, respect, and celebrate diversity – will be rewarded with greater efficiency and innovation in the work of their employees and thus achieve better organisational performance.

4. European Policy Framework for the Integration of Migrants – Focus on Employment

Diversity management may be defined as a “complete organizational cultural change designed to foster appreciation of demographic, ethnic and individual differences” (Gilbert, Stead & Ivancevich, 1999, p. 66) and as a “precursor to enhanced organizational performance” (Cox & Smolinski, 1994 in Gilbert Stead & Ivancevich, 1999, p. 66). According to some authors,²⁴ affirmative action has lost public support, even though it was designed to redress past discrimination and injustices perpetuated by society. Several reasons were found to contribute to this perception: affirmative action applied lower hiring and performance standards for minorities, it was presumed to violate the basic tenets of social justice, people were recruited based on irrelevant workplace characteristics, those hired as a result of affirmative action measures were often less competent and less qualified, and the like. (Gilbert, Stead & Ivancevich, 1999). Yet the increasing complexity of modern societies, mainly attributed to the migration flow that is becoming a global phenomenon, has led to the development of a whole scale of recommendations and measures which endeavour to reflect the complexity of the social environment through the human potential structure.

In terms of employment and economic growth in the European Union, contemporary demographic trends, economic polarisation, and human resource constraints urge for a different approach and policy initiatives. Millmore et al. describe some trends in the demographic composition of the labour market using the example of the European Union and the UK (2007, p. 466). Although Eurostat data show that the total population of 15 European Union countries (before the 2004 enlargement) will remain

²⁴ Several studies have found that affirmative action has failed to ensure equal employment opportunities for all and is perceived as generally ineffective (see for example Gilbert, Stead & Ivancevich, 1999).

stable over the next 25 years, the structure of the population and its demographic characteristics will change considerably. Specifically, this refers to the working age population (16–59), which will decline from 228 million in 2005 to 203 million by 2030, while the number of people over the age of 60 will grow from 86 million to 123 million, representing a growth of more than 40%. Eurostat predicts that these demographic changes will have a significant impact on the composition of the labour force in the European Union. Due to demographic change, the European workforce is already shrinking – only two-thirds of the working age population are currently employed and the employment rate of women, young people, and older workers is particularly low.²⁵ The EU workforce is ageing and shrinking. In 2010 the working age population reached its maximum of 333 million and has been declining ever since (Fotakis & Peschner, 2015, p. 12). It is estimated that, despite the recovery of the employment rate in the last few years and with a steady net migration, there will be 16 million fewer people of working age by 2030 (World Economic Forum, 2016, p. 7). The most pressing concern highlighted in all relevant documents is the need to increase labour market participation, often related to specific population groups (women, young people, older workers, and immigrants) because many countries have a rather substantial pool of unused labour capacity.

This issue, combined with the fact that Europe needs to make full use of its labour potential to face the challenges of an ageing population and rising global competition, has led the European Commission to come up with recommendations and measures towards inclusive growth through high levels of employment, investing in skills, fighting poverty, and modernising labour markets, amongst other measures.

Special attention has been given to developing a “new agenda for migrants’ integration to enable them to take full advantage of their potential”.²⁶

Employment is perceived as a core part of the integration process in European Union policies. Two aspects are underlined. On the one hand, finding a job is fundamental for migrants to participate in the host country’s economic and social life. A second benefit may be observed to the country’s economy.²⁷ As stated in the European Commission’s Action

²⁵ Communication from the Commission, Europe 2020 – A strategy for smart, sustainable and inclusive growth, Brussels, 3.3.2010. [2010] COM(2010) 2020.

²⁶ *Ibid.*, p. 10.

²⁷ For example, the OECD looks at the evidence on how immigrants affect the economy in three main areas: the labour market, the public purse, and economic growth. Their findings show positive impact of migration in all three areas. For example, the analysis

Plan “timely and full labour market integration can also help to meet the growing needs for specific skills in the EU as well as to enhance the sustainability of the welfare systems against the background of an ageing population and workforce”.²⁸

The Europe 2020 Strategy,²⁹ adopted by the European Council on 17 June 2010, is the EU’s agenda for growth and jobs for the current decade. Strategy 2020 defines the framework and the objectives of an active employment policy, provides guidelines for drafting national documents, and is aimed at achieving a smart, sustainable, and inclusive economy with a high level of employment, productivity, and social cohesion by implementing measures to increase employment and create new jobs. The implementation of the strategy is ensured by the Europe 2020 Integrated Guidelines,³⁰ which were adopted by the Council of Europe in 2010. Among other things, they encourage so-called inclusive growth, which implies the building of a cohesive society marked by solidarity, in which all people, especially women, older people, young people, people with disabilities, and legal migrants are actively involved in society and the economic life of the country. The strategy determines specific targets for inclusive growth which include: raising the employment rate to 75% by 2020, reducing school dropout rates to less than 10%, increasing the share of the population that has completed tertiary education, and lifting 20 million people out of poverty or social exclusion (COM, 2011, Paragraph 2). The successful integration of migrants in the EU, which assumes enabling them to take full advantage of their potential, is a means that can make a significant contribution to meeting employment targets. The importance of employment as a key part of the integration process is also highlighted in the European Commission’s Common Agenda for Integration (*ibid.* p. 6). This is established as a twofold principle: it is central to the participa-

indicates that migrants contribute significantly to labour market flexibility in Europe; they contribute more in taxes and social contributions than they receive in benefits; migration boosts the working age population; migrants arrive with skills and contribute to the human capital development of receiving countries; and they also contribute to technological progress (OECD, 2014).

²⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Action Plan on the integration of third-country nationals [2016] COM(2016) 377 final.

²⁹ Communication from the Commission, Europe 2020, A strategy for smart, sustainable and inclusive growth, Brussels, 3.3.2010. [2010] COM(2010) 2020.

³⁰ Council Recommendation of 27.4.2010 on broad guidelines for the economic policies of the Member States and of the Union Part I of the Europe 2020 Integrated Guidelines [2010] COM(2010) 193 final.

tion of immigrants and to the contributions immigrants make to the host society. In order to address the failures of current policies on integration into the labour market, which are reflected in the significantly higher rate of unemployment of immigrants with respect to the native population, several actions have been proposed. These include ensuring the recognition of qualifications from third countries, making use of certificates immigrants have obtained as a result of training courses, ensuring the value of such courses as tools to access labour markets, creating incentives to engage employers in recruiting immigrants, providing greater support to migrant entrepreneurs, and other actions. Overall, non-discrimination and equal opportunity principles are still seen as key integration issues. However, there is notable innovation in the EC's approach towards the employment of migrants, because this is recognised not only as key to the improved participation of migrants but also to be carrying potential for the host society's labour market.

As has been previously stated, the most recent comprehensive Action Plan on the Integration of Third-Country Nationals sets out employment as a core part of the integration process. Access to jobs is not viewed simply as a right to equal opportunities but as carrying potential for both migrants and the host country's economy and society as a whole. Finding a job contributes the most to becoming part of the host country's economic and social life but can also strengthen a country's human capital and welfare system. European countries' economic needs and the economic impact of migration are very much emphasized. For this purpose, the European Commission has developed a set of measures and tools to promote and support the profiling of skills and the recognition of qualifications, as well as active employment measures. Measures to support member states include the following: support for the timely identification of skills and qualifications, recognition of academic qualifications, funding for projects which promote "fast-track" insertion into the labour market and vocational training (e.g. through skills assessment and validation, employment-focused language training, and on-the-job training), promotion and sharing of promising practices on labour market integration, piloting projects on migrant entrepreneurship, launching initiatives to match immigrants who have a scientific background with suitable positions in universities and research institutions, recruitment of teachers with a migrant background, and so on.

According to the Macroeconomic Assessment for the EU of 2016,³¹ the successful integration of migrants is a key variable to determining macro-

³¹ European Commission, 2016

economic effects in the medium to long term. In the long term, migrants can “contribute to greater flexibility in the labour market, help address demographic challenges and improve fiscal sustainability” if they are well integrated (European Commission, 2016, p. 4). More precisely, migration could help strengthen sustainability if potential human capital is used well in countries with ageing populations and shrinking workforces. Otherwise, migration inflow could weaken fiscal sustainability (*ibid.*, p. 18). Previous research and literature proves the connection between early and successful integration and the positive contribution migrants may have on growth and public finances. In order to better facilitate the employability of migrants, lowering barriers is essential for their ability to get regular jobs and to impact positively on growth and public finances.

In terms of EU medium- to long-term growth prospects, migration is perceived as a “historic opportunity” to compensate for the decline of Europe’s working age population (World Economic Forum, 2016, p. 11). If integration policies are designed in such a way as to meet with public support and match individual countries’ specific market needs with migrants’ skills and qualifications, they can help to address the shortcomings of the labour market. Several conditions need to be met in that regard. The successful integration of migrants depends highly on political consensus, public perception, and widespread public support. For that to occur, the migration debate has to shift from migrants being perceived as a burden to acknowledging the opportunities they bring to the country’s economy. Policy incentives are also of the utmost importance. Active labour market policies must be designed so as to open up long-term and stable pathways on the basis of specific labour vacancies (Fotakis & Peschner, 2015, p. 40). Special attention needs to be devoted to developing the skills of a better qualified and adaptable workforce, using methods such as language training and professional or on-the-job training. The case of Germany, for example, indicates the effectiveness of such methods – five years upon their arrival around 50% of working age refugees have found a job, compared to only 8% in the first year of their arrival (World Economic Forum, 2016, p. 10). Further policy measures to facilitate the successful integration of migrants into the labour market are: the introduction of a clear set of migrant rights and obligations, an obligatory labour market integration year (as in Austria, for instance), efforts to fight illegal employment (for example, in Great Britain and Lithuania), fiscal incentives, individual guidance to labour market integration (European Commission, 2017, p. 71), guarantee schemes, and more liberal legislation (World Economic Forum, 2016, p. 11).

5. Conclusion

In times of intensive migration flows and increasing social complexity, one of the biggest contemporary challenges to European Union countries lies in the integration of migrants, which presumes mutual accommodation between migrants and the host society. Migrant integration usually lies within the scope of state affairs and local self-government is of particular importance in this regard, because national integration policies are in fact implemented at the local level. Nevertheless, European policies are important in terms of knowledge exchange, its promotion, and the monitoring of migrant integration practices.

European Union legislation provides legal rights for those EU citizens who are racially, ethnically, or religiously “different”, and often placed in a minority position because of their history of migration. European policy toward minorities is developed in primary and secondary sources of EU law, and its strategic policies are developed with an emphasis on equal opportunities and an anti-discrimination approach. A more pressing concern for European leaders is the continuous impact on the European Union of new immigrants from the less developed world. Migratory flows also represent a serious challenge to the management of European diversity. The EU has rather few instruments to secure the rights of non-citizen, third-country migrants and is generally attempting to develop a common framework for their integration, including a whole range of governance mechanisms. The development of such mechanisms has been “characterised by a complex, multi-speed process resulting in different competences and styles of policy and law-making” (Geddes & Achtnich, 2015, p. 296). In EU discourse, the integration of migrants is a key mechanism to maximising the opportunities and contributions that migration can make to EU development. European societies are faced with increasing diversity due to intensive migration, which calls for the development and implementation of policy measures to reflect the rising complexity of the social environment. In order to develop successful integration models, European countries need to cope with several pressing issues: a low migrant employment rate, risk of social exclusion, gaps in educational achievement, and public concern over the absence of migrant integration.³²

³² Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, European Agenda for the Integration of Third-Country Nationals [2011] COM/2011/0455.

The employment of migrants is perceived as a key part of the integration process in European Union policies, as finding a job is fundamental to migrant participation in the economic and social life of the recipient country. Moreover, the successful integration of migrants can help to meet the growing needs of European markets in terms of requirements of specific skills and an ageing population and workforce. Namely, the European workforce is ageing and shrinking due to demographic change, while many countries have a rather substantial pool of unused labour capacities, especially with a view to specific population groups (women, young people, older workers, and immigrants). These demographic trends, together with economic polarisation and human resource constraints urge for different policy initiatives and the development of a new agenda for migrant integration, which will enable them to take full advantage of their potential.

An analysis of European policy concerns regarding employment as a vital part of migrant integration into host societies indicates a shift in policy orientation in comparison with that of minority integration. Regulations and special measures to foster minority employment have been developed within the framework of European anti-discrimination legislation, with the purpose of achieving equal employment opportunities for previously discriminated groups. As for the integration of migrants, the promotion of fundamental rights, non-discrimination and equal opportunities are still key integration issues. Nevertheless, a deeper study of integration policies in this paper has shown that, besides the anti-discrimination aspect of migrant integration, their contribution to economic growth and cultural wealth is no less important. In an effort to develop a common framework for the integration of migrants, which also includes concrete measures to support member states, the European Union is also driven by economic, business-oriented values. The EU is focusing not only on the benefits of finding jobs for migrants and their social inclusion, but also on the possibility of increasing economic performance if integration policies are designed in order to meet the host country market needs. In that sense, this means a mixture of complementary approaches, methods, and measures; in other words, affirmative, anti-discriminatory, and diversity management approaches are seen as equally important.

However, there seem to be several challenges to the successful integration of migrants which, if overcome, should lead to their increased participation in the host country's economic and social life and compensate for the decline of the working age population in Europe. It should be noted that, if potential human resources are not used well, the migrant inflow could weaken a country's fiscal sustainability. With this in mind, it is neces-

sary to have a common policy approach aimed at making the best use of the potential of migrants already living in the EU (Fotakis & Peschner, 2015, p. 40), while opening up new opportunities in line with specific job vacancies and lowering employment barriers for new migrants. A further challenge refers to the “early” integration of migrants, which assumes the identification and recognition (verification) of qualifications, skills profiling (skills assessment), language training, and professional/on-the-job training. There are several other actions that might support early integration into the labour market such as the sharing of best or promising practices among European countries, an obligatory labour market integration year, individual guidance to labour market integration, employment guarantee schemes, and the like. Active labour market measures also have to be designed so as to match the host country labour market needs with migrants’ skills and qualifications. Last but foremost, a lack of political consensus and an unsupportive migration debate can only weaken the possibilities of successful integration, while the opposite would be true of strong political consensus and a supportive migration debate.

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THE CHALLENGES OF DIVERSITY MANAGEMENT TO MIGRANT INTEGRATION IN THE EUROPEAN UNION

Summary

The integration of migrants is one of the biggest challenges to European Union (EU) countries today, and it represents a serious challenge to the management of European diversity. Because of this, a framework for the integration of migrants into the EU was developed through a range of directives and other “soft” mechanisms. Even though migrant integration remains the primary responsibility of nation states, EU policies are important with regard to knowledge exchange, its promotion, and the monitoring of integration practices. In EU discourse the integration of migrants is a key mechanism to maximising the opportunities and contributions that migration can make to EU development, while employment is central to the participation of migrants. European Union legislation provides a strong anti-discrimination framework and emphasizes the equal opportunity principle as key integration issues. This paper’s starting assumption is that, besides the anti-discrimination aspect of migrant integration in the area of employment, their contribution to economic growth and cultural wealth is no less important because the European workforce is ageing and shrinking. An analysis of European policy documents has been carried out in the context of the approach to managing diversity, which highlights the potential of diversity for better organisational performance. It is argued that the successful integration of migrants is recognised not only as key to better migrant participation but also as potential for the host society’s labour market and for increased economic performance. However, migrant inflow could also weaken a country’s fiscal sustainability if human resource potential is not used well. Several challenges to successful labour market integration are underlined in the paper.

Keywords: *integration of migrants, employment, diversity management, better performance, European policy*

IZAZOVI UPRAVLJANJA RAZLIČITOSTIMA PRI INTEGRACIJI MIGRANATA U EUROPSKU UNIJU

Sažetak

Integracija migranata predstavlja jedan od najvećih suvremenih izazova za države EU-a, kao i velik izazov upravljanju različitostima u Europi općenito. Zbog toga je okvir za integraciju migranata u EU-u osmišljen kroz različite direktive i druge „mekane“ mehanizme. Iako integracija migranata i dalje ostaje prvenstveno odgovornost individualnih nacionalnih država, politike EU-a važne su zbog (promicanja) razmjene znanja i praćenja integracijskih praksi. EU o integraciji migranata govori kao o ključnom mehanizmu kojim se mogu maksimalno iskoristiti prilike kojima migracija može ostvariti doprinos razvoju EU-a, dok je s druge strane zapošljavanje od središnje važnosti za uključenost migranata. Zakonodavstvo EU-a sadrži učinkovit antidiskriminacijski okvir i naglašava načelo jednakih prilika kao ključno integracijsko pitanje. U radu se kreće od pretpostavke da se integracijom migranata u području zapošljavanja ne samo prakticira antidiskriminacija, već da je isto tako važan doprinos migranata ekonomskom razvoju i kulturnom bogatstvu Europe jer europska radna snaga stari i brožčano opada. Provedena je analiza dokumenata europskih politika u kontekstu pristupa upravljanja različitostima, te se njome ističe potencijal različitosti pri postizanju boljeg organizacijskog učinka. U radu se tvrdi da je uspješna integracija migranata prepoznata ne samo kao ključ osiguranja njihove uključenosti, već kao potencijal za tržište rada zemlje domaćina i postizanje boljšeg ekonomskog učinka. Ipak, priljev migranata također može ugroziti fiskalnu održivost države ako se ljudski potencijali ne koriste pravilno. U radu se ističu različiti izazovi uspješnoj integraciji u tržište rada.

Ključne riječi: integracija migranata, zapošljavanje, upravljanje različitostima, bolji učinak, Europska politika